

REMARKS

Please reconsider the application in view of the above amendments and the following remarks. Applicant thanks the Examiner for carefully considering this application.

I. Disposition of Claims

Claims 1, 2, 4, and 5 are pending in this application. Claims 1 and 4 are independent. The remaining claims depend, directly or indirectly, from claims 1 and 4.

II. Claim Amendments

Independent claims 1 and 4 have been amended. These amendments are fully supported by, for example, Paragraph 0033 of the original specification. No new matter has been added by these amendments.

III. Rejection(s) under 35 U.S.C § 103

Claims 1, 2, 4, and 5 stand rejected under 35 U.S.C. § 103 as being unpatentable over U.S. Patent No. 5,953,710 ("Fleming") in view of U.S. Patent No. 5,875,435 ("Brown"). Independent claims 1 and 4 have been amended to specifically require an electronic settlement system and method capable of determining a credit line of a user based on a tax deduction expenses. To extent that this rejection may still apply to the amended claims, this rejection is respectfully traversed.

Independent claim 1, as amended, directs to a system for settling financial transactions electronically. Specifically, claim 1 includes the limitation of "the

management means divides the expense requested to be paid into tax deduction expense and non-tax deduction expense, determines the credit limit depending on the tax deduction expense, and outputs deposits and payments of the tax deduction expense within a tax fiscal year in a predetermined output form at an end of the tax year.” Advantageously, among other things, the electronic settlement system can grant a user a higher credit line based on the expenses that are tax deductible.

As noted by the Examiner, Fleming, in contrast, does not explicitly disclose the limitation as now recited in claim 1. Fleming merely discloses a scheme for supervising credit or debit card usage. Specifically, Fleming includes a separate credit card account for a child that is linked with a parent’s credit card account. Fleming allows the parent to make changes in the child’s available credit without changing the total combined credit limit and available credit for the child’s and parent’s credit card account and without requiring bank approval. See Fleming, column 3, lines 11-31. Fleming does not determine any credit limits based tax deduction expenses. Thus, Fleming fails to disclose or suggest at least the above limitations of amended claims 1.

Brown fails to teach that which Fleming lacks. Specifically, Brown merely discloses an automated accounting system that provides financial accounting reports and statements for an individual or business. Although the automated accounting system disclosed in Brown produces some separate reports, one of which is a tax preparation document, it does not determine a credit limit of the individual based on tax deduction expenses. Thus, Brown also does not show or suggest the above limitation as recited in claim 1.

In view of the above, Fleming and Brown, whether considered separately or in

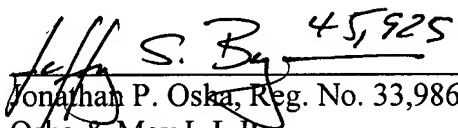
combination, fail to show or suggest the invention as recited in claim 1. Also, independent claim 4, as amended, includes a similar limitation as recited in claim 1. Thus, claim 1 and 4 are patentable over Brown and Fleming. Dependent claims are allowable for at least the same reasons. Accordingly, withdrawal of this rejection is respectfully requested.

IV. Conclusion

Applicant believes this reply is fully responsive to all outstanding issues and places this application in condition for allowance. If this belief is incorrect, or other issues arise, the Examiner is encouraged to contact the undersigned or his associates at the telephone number listed below. Please apply any charges not covered, or any credits, to Deposit Account 50-0591 (Reference Number 15115.008001).

Respectfully submitted,

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